



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

rudely disturbed by the shop-boy, with the important difference that whereas the flies always get something, the speculators invariably drop their money (p. 50).

In the last chapter the question is asked: "In what respect is speculation useful in markets generally?" The author speaks of holders of large stocks, especially of staple products, as corn, etc., who "hurry to market to sell what was even unthreshed," or else laying in extra supplies, if the prices have been agitated without an apparent cause.

The undue inflation or depression of prices will be counteracted by speculative operations such as we have referred to, and in that sense, speculation is of immense benefit. . . . The one condition, however, of such speculation being of direct benefit of keeping prices at a level, which is in accord with the existing state of supply in relation to the demand at any period is, that the speculative operations shall partake as nearly as possible of the nature of *bona fide* operations (p. 112). . . . [But] no more than one tenth—it might be one twentieth—of the brokers would be required to execute properly all the orders that come into the markets (p. 64).

The theory of stock speculation, then, may be stated thus: "Leave it alone." But if one is still determined to enter the hazardous game, a few rules are recommended: buy a good aneroid barometer, stick to one line of operation, get the first information, act the opposite from "tips," be cool and forever smiling, but, above everything else, be provided with ample funds. Then in the long run one may lose less than others.

The book may not be of great interest to theorists, but the simplicity of treatment and the good, wholesome advice given, should recommend it to prospective speculators, for whose guidance it was originally intended.

S. G. LINDHOLM.

Studien zur Theorie und Geschichte der Handelskrisen in England.

By DR. MICHAEL VON TUGAN-BARANOWSKY, Jena: Gustav Fischer, 1901. 8vo, pp. viii+425.

THIS brochure of 425 pages presents to us the somewhat unusual combination of a study of English conditions, made by a Russian, and written in German. The author, who was formerly privatdocent in the University of St. Petersburg, begs that his German be leniently considered. It is frequently the case that German works, written by foreigners, are easier for foreigners to read than those written by persons for whom the language is the mother tongue. The present work

may be classed, so far as economic treatises are concerned, as easy German.

In the preface the author, writing in October 1900, says that a work upon crises is now justified. While a few years ago it appeared that we were done with acute disturbances of trade, at present signs are multiplying that the capitalistic world is speeding on to a great catastrophe. He even goes further and states that in January 1900 he predicted that within a year there would be over-production and general depression. This prediction he considers amply fulfilled by the depression of the English and continental iron and textile trades.

The author confesses that, in the main, he is a follower of Carl Marx, although he rejects the theory of the tendency of profits to a minimum as advanced by Marx, and refuses to consider either the surplus value theory or the "profit rate" theory as logical deductions from the labor theory of value. About five eighths of the work is taken up with a theoretical discussion and with the history of English crises. The second part presents the effect of crises and depressions of trade upon the social and political movements of the English wage-earning classes.

The first chapter of the book is devoted to a presentation of the author's theory of crises. Briefly it rests upon the recognition of two contradictions in the capitalistic economy. The first of these is the contradiction between production as a means to the ultimate satisfaction of human wants and production as a technical moment in which it is an end in itself. In capitalistic production labor has no control over the process in which it is engaged and is the slave of it. The capitalist also is coerced by the necessity which competition lays on him of increasing his capital and extending production. He becomes a mere machine for the accumulation of profits and the converting of them into capital. Thus the process of production goes on unchecked to fulfill the law of its technique, compelling those who should be its guides to become its slaves. In so doing it fails of adjustment to consumption, that is, it fails when regarded as a means for satisfying human wants. The second contradiction of industry is that between the organization of production in the single factory and the anarchy of production considering the whole of society's industry. There is a lack of organization sufficient to control all of productive industry to an harmonious plan. This leads to a wrong distribution of productive power over the field of employment. The results, when coupled with

the elastic and complicated relation existing between supply and demand in a credit economy, make over-production and crises unavoidable.

The second, third, and fourth chapters trace the crises, depressions, and economic readjustments of English industry from the time of the introduction of machinery and the factory system, to the crisis of 1866. The fifth chapter is devoted to the fluctuations which have occurred since that date. In this chapter the treatment becomes a general history, including the "Vienna crash," American crises and monetary panics, and happenings in Australia and Argentina, as well as the crisis of 1873, the depression of the eighties, and the Baring failure in England.

The sixth chapter takes up the theory that crises are due to the under-consumption of the mass of the population. The theory is rejected in the course of a negative criticism of the classical economists. The author appears to be unable to divest himself of the Marxian philosophy sufficiently to view the phenomena leading up to crisis from the point of view of consumption. In the subsequent chapters of the first part the Marx theory of crises is presented, and the periodicity of crises is discussed. The author finds that there is an industrial cycle of more or less elastic period leading to the recurrence of crises. It is based upon the circumstances connected with the accumulation and use of productive and loan capital. After the effects of a crisis have passed away there is a rapid growth of industry stimulated by speculation. In this growth the loanable capital previously accumulated is used up so rapidly that its exhaustion is accompanied by high discount rates, forced liquidations, and the rupture of credit leading to the panic.

Part two of the work takes up the social effects of crises. To be more accurate, instead of a discussion strictly limited to the influence of true crises upon the wage-earners, there is, first, a review of the fluctuations of the prosperity of these classes, followed by three comparatively distinct essays, one on Chartism, a second on the Cotton Famine, and a third, on agitations subsequent to 1870 caused by unemployment.

On the whole it may be said that the work brings together a considerable mass of valuable material. Unfortunately there is neither an index nor an analytical table of contents with page references. The work shows familiarity with English sources. In the chapter on "Chartism," for example, references are freely made to O'Connor's

Northern Star. Likewise, in the chapter on the "Cotton Famine," the *Manchester Weekly Times*, and the *Guardian*, and *Hansard's Debates* are used. The general arrangement of the book is somewhat loose, and could be improved upon. The work includes at least three separate things, a theoretical discussion of true crises, an account of many English trade depressions, and fluctuations which are not true crises, and, third, material on the recent economic history of England, especially of the wage-earning classes. It is a question whether the attempt to blend these three things will not produce uncertainty as to what a crisis really is, and tend to retard the discriminating study of the subject. Apart from this, however, it must be recognized that the work contains many helpful and suggestive discussions. Its function in the literature devoted to crises is to develop and apply the theory of crises advanced by Marx. It may be recommended to any person desirous of having in his library the representative works dealing with the acute maladies of industry.

E. D. JONES.

Untersuchung über die Stellung des Handels in der Volkswirtschaft.
By FRANZ DOCHOW. Halle: a. S., 1900.

AN investigation of the place of trade in economics such as this by Dr. Dochow deserves attention on this side the water, where the subject treated of is of such supreme importance. It is valuable for the digest of economic opinion as to the nature and functions of trade from the mercantilists, physiocrats, and Adam Smith down to such modern economists as Conrad, Lexis, and Cohn; but of especial interest is that part which is devoted to the speculative feature of trade, or the functions of speculation. This part of Dr. Dochow's essay will recall to the memory of those present at the Ithaca conference of the American Economic Association the paper by Dr. H. S. Emery on "The Place of the Speculator in Distribution," and the rather unrestricted scope of the discussion which followed. A knowledge of the German contributions to the subject on the part of the members present would have materially facilitated the discussion. For example, Ehrenberg assigns to speculation the function of securing to society an uninterrupted and timely provision of goods; and Lexis characterizes it as of the nature of insurance, securing producers against the perils of violent fluctuations in price, while Cohn characterizes it as a special kind of trade which is concerned exclusively with giving time utility, leaving the care of place utility to other forms.